

Minnesota Consumer-Directed Home Care 1115 Demonstration Project

QUESTIONS FOR CLARIFICATION *AND* ADDITIONAL INFORMATION

Project Development

1. Is there information available regarding the differences made in consumers' lives who were enrolled in Minnesota's Self Determination Project established by the RWJ grant? Are there examples or situations where consumer lives were changed? Are there reports, studies, or comments from consumers and advocates? How many consumers/advocates were involved in the project study and the reporting of its outcome?

The independent evaluation of Minnesota's Self Determination Project was conducted by the University of Minnesota Institute on Community Integration. The formative evaluation of the project consisted of four separate components: 1) The development and critique of a program logic model, 2) Interviews with 23 project consumers, their families or guardians, and, when needed, their case managers and service providers resulting in 23 case studies 3) Facilitation of the evaluation of consumer education products by self-advocates, and 4) Project Participants Feedback Questionnaire. The report focuses on the strategies that counties used to facilitate self-determination and how those strategies affected the lives of the consumers who were interviewed. Evaluation findings served to identify issues and experiences to consider as self-determination strategies evolve.

Evaluation findings provided the following insights into how the project affected the lives of consumers:

- 81% of survey respondents found the consumer controlled checkbooks a valuable practice. 55% found it a very valuable practice.
- 96% of survey respondents found the project was successful in helping consumers and their families to develop innovative supports
- 75% of survey respondents found the project was successful in helping existing service providers to change their role to accommodate greater consumer self determination
- 86% of survey respondents found the project was successful in supporting consumers to increase their use of generic community resources.
- 97% of survey respondents rated the collaboration between participating counties and the State as successful.

- 95% of survey respondents rated the collaboration between their county and local stakeholders as successful

The copy of the final report of evaluation findings can be found in *Appendix A*.

2. When will the information be available from the University of Minnesota's survey of the state funded CSG program, particularly regarding consumer feedback and any recommendations they provided?

The independent evaluation of the state-funded CSG Program was conducted by the University of Minnesota Hubert H. Humphrey Institute of Public Affairs with the support of a grant from the Robert Wood Johnson Foundation. Nancy Eustis Ph.D., Professor at the Hubert H. Humphrey Institute of Public Affairs, served as Principal Investigator. Dr. Eustis has conducted research on long-term care services for younger and older adults with disabilities. Recently she contributed to the development of several research projects concerning consumer-directed services as a special assistant in the Office of Disability, Aging and Long-term Services in the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. Working in collaboration with Dr. Eustis was K. Charlie Lakin, Senior Research Associate in the Institute on Community Integration (a University Affiliated Program) in the College of Education, University of Minnesota and co-principal investigator, Kenneth Hepburn, Research Associate and Assistant Professor, Department of Family Practice and Community Health, College of Medicine and Deputy Director for Outreach at the Center on Aging, University of Minnesota.

As part of the CSG Program evaluation, a series of surveys of consumers and local county human service agencies were conducted to assess the satisfaction of participating consumers, to identify difficulties encountered by consumers, and to identify training and support needs of program participants. Survey results show that most families said their services were much better under the CSG Program than they had been in the previous program. One mother said, "This is the first summer that I felt like I had a life, because I can find people to help easier and they are willing to come back." Another mother said her services were better "because I have more contact with my employee and am not working through a middle person."

One woman said she was "thrilled that they have the program. If they didn't, (my husband) would be in a nursing home." Respondents said they were satisfied because they can choose who comes to their home; they can hire people they trust; they have more competent help; and they can pay their helpers more than the agency did. Respondents described the participating seniors as feeling more in control, especially over their daily life and over the manner in which their support is provided.

All consumers and family members reported feeling more in control of their lives with the CSG Program. One respondent said she was "more than very satisfied. It's excellent!" Some of the things that they said they liked best about the CSG Program were:

- "I say what my helpers get paid, and I can retain them.";
- "(My daughter) gets better, more specialized help—things the PCAs wouldn't do before."; and
- "Using services to meet my daughter's needs versus using services that we don't need."

One parent said, "I was skeptical at first, but after participating in the program, I think it is a wonderful service. It has been a God-send."

The draft report found that program participants were "satisfied" or "very satisfied" with their experience with the CSG Program. They felt that they were more in control of their lives and their services and that they or their family member had more appropriate or better quality services.

Suggestions for improving the CSG Program included:

- clearer communication of expectations regarding the use of the cash grant and regarding employer taxes;
- better marketing so more people would know about the program;
- providing a registry of potential helpers, especially fiscal agents
- providing opportunities for networking with other CSG participants; and
- providing a higher percentage of the cost of services paid for in the previous program

These recommendations have been extremely informative during the development of the CDHC § 1115 waiver. Steps have been taken to respond to all of the suggestions listed above in the design of the CDHC Demonstration Project, including the development of the CDHC *"Consumer Handbook"*, the dedication of resources for state and local marketing and outreach, the State's proposed strategy for assuring consumer information and access to qualified fiscal intermediary service organizations, and the convening of peer support forums for participating consumers and their families.

The final suggestion from CSG Program participants listed above refers to the funding parameters of the state-funded CSG Program. Under the state-funded CSG Program, eligible people are provided a support grant as an alternative to the personal care assistant, home health aide, and private duty nursing services they receive under FF5. Support grants are funded with the state share of the cost of services the consumer would

otherwise receive through these three programs of origination - approximately 48% of the service expenditures under the traditional MA fee-for-service system. The desire of consumers and their family members and advocates to enhance the resources available to consumers under this type of service delivery model was a major impetus behind the state legislation authorizing the CDHC Demonstration Project and the State's pursuant § 1115 waiver request.

A summary of the survey results are found in *Appendix B*.

3. On Page 45, section 7.1 there a reference to the state-funded CSG Program, but there is no mention of stakeholder recommendations influencing the development of this demonstration. Was there stakeholder input for this demonstration?

The Consumer Support Grant (CSG) Task Force was instrumental in the passage of state legislation governing the proposed CDHC §1115 waiver. Members of the CSG Task Force and other stakeholders participated in an extensive public comment period which served to shape the final design of the CDHC Demonstration Project. The State has begun to formulate a CDHC Demonstration Project stakeholder committee. It is anticipated that a number of CSG Task Force members, along with other stakeholder representatives that are new to the committee process, will have an interest in participating on the CDHC Demonstration Project stakeholder committee. Committee members will be selected so as to assure broad and equitable representation of constituencies with personal and professional interest in the project.

The CDHC Demonstration Project stakeholder committee will provide ongoing recommendations and feedback on project protocol development, the outcomes of the independent evaluation of the project, the State's proposed expansion during years four and five, and overall implications for systems change.

4. The second phase of the project (years four and five) may include an option for **tribal** governments to participate in the demonstration project. Why is it likely that consideration for tribal government participation will be considered at the second phase? Were tribal governments consulted during project development and design? If not, why?

Since the submission of the §1115 waiver request the State has had an opportunity to discuss the CDHC Demonstration Project with members of tribal governments in Minnesota. In response to this preliminary consultation with Minnesota's tribal governments regarding the CDHC § 1115 waiver proposal the State plans to include Minnesota's tribal governments in the RFI process. Essentially this RFI process will provide tribal governments, along with counties, the first option to choose to participate as project administrators on behalf of consumers residing within their designated service areas. The State will continue to seek more formalized opportunities for regular, ongoing

consultation with the tribal governments regarding the proposed CDHC Demonstration Project and other § 1115 waivers. Tribal members will also be invited to participate on the CDHC Demonstration Project stakeholder committee.

Project Design

1. The CDHC project will be administered locally by county agencies or administrative entities. Please identify the administrative entities. Although the project is statewide, what counties have agreed to participate? Why did other counties decide not to participate in the project?

On February 15, 2001 the State issued a request for information (RFI) to county agencies and tribal governments for the purpose of determining local interest in project administration of the CDHC Demonstration Project. A copy of the RFI is provided in *Appendix C*. This RFI process provides counties and tribal governments the first option to choose to participate as project administrators. Based on the outcome of the REI process, the State will post a State Register Notice and issue a Request for Proposals (RFP) for public or private entities to express their interest in administering the CDHC Demonstration Project where counties and tribal governments have declined participation.

The State will develop a joint planning and implementation process for all identified local project administrators to identify technical assistance and training needs and to develop a comprehensive administrative work plan and readiness review criteria. The State will enter into a contract with each local project administrator to assure consistency in project administration statewide. The contract will outline the goals and objectives of consumer directed service delivery and will outline the designated administrative responsibilities and supportive functions under the CDHC Demonstration Project. The State will develop the specifications, parameters, and outcomes for the model contract. Contracts between the State and local project administrators will be executed approximately two months prior to project implementation.

2. Please clarify who the local project administrators (LPA's) will be? Will there be one (or more) in each participating county? What are their qualifications?

Under CDI-IC Demonstration Project, the State will delegate the issuance of support grants and other administrative functions to local project administrators. It is anticipated that in many regions the county or a consortium of counties will opt in to serve as the local project administrator for a given geographic area of the state. In some cases, the tribal government may choose to serve as the local project administrator for their tribal nation. In regions where counties and tribal governments choose not to provide this service to consumers, the State will solicit proposals from the public and private sector. Potential respondents include the Centers for Independent Living, Area Agencies on Aging, local

Arc Chapters, and other service agencies such as private case management service providers and consumer advocacy organizations.

Criteria for participation as a local project administrator will require that respondents demonstrate administrative capacity, including financial and case management personnel that meet the qualifications specified in the contract. Contract specifications will be developed in more detail over the next several months as part of the § 1115 operational protocol.

3. Are all 87 jurisdictions presently staffed to carry out the administrative tasks? Will they have appropriate equipment (computers, software, etc.) for simultaneous startup statewide to ensure accurate data collection and local monitoring?

As discussed previously, the State has issued a Request for Information to county agencies and tribal governments in an effort to collect information about their interest and status of readiness to plan for and administer this demonstration project. A portion of the information requested will address administrative capacity, including computers, software, and data collection and reporting activities.

In addition, the State agency has some preliminary information about the status of county readiness based on their participation in other program initiatives which require similar administrative capacity. These include Minnesota's Self-Determination Project, and the consumer-directed community supports option under the home and community based services 1915(c) waiver program for people with mental retardation and related conditions. The State intends to provide training and technical assistance to local project administrators, as necessary, and will establish review criteria for the purposes of guiding local planning in a common direction and ensuring project readiness for implementation.

4. How will the LPA ensure the appropriate professional level and educational expertise of the staff assigned to work with the project? Will the staff consist of the county financial workers?

To ensure the appropriate professional level and educational expertise of staff assigned to work on the CDHC project, the LPA will have access to state generated materials and state training for staff. A portion of the administrative budget for the project has been dedicated to this training effort. The State will provide initial and ongoing training and technical assistance to local project administrators with regard to their administrative roles and responsibilities under the CDHC Demonstration Project, either directly or through contracts with vendors possessing specialized training capacities. If the LPA is a county, staff will likely include financial workers. If the LPA is another kind of administrative entity, their existing financial staff will be involved in the administration of the CDHC project.

5. How long will it take a consumer to get assistance once they inform the LPA of difficulties in securing or maintaining services?

Counties and other LPAs must respond to a consumer's request for assistance within two working days. The individual service planning process that occurs between the consumer and the project administrator will be designed to anticipate potential problems before they arise. The CDHC Budget and Service Agreement will establish a backup plan so that the consumer does not end up without support in the event that the primary support person is unavailable due to illness or personal emergency. All consumers will be made aware of their ability to return to their program of origin during the CDHC enrollment process

6. In addition to an independent future evaluation of the project to be conducted by a contracted vendor, please elaborate on how the State will monitor and evaluate the effectiveness of the project in meeting consumer needs on a regular basis? If reporting is required from the counties, what will be contained in the report to properly evaluate the project?

The local project administrator, along with the consumer, will develop a CDHC Budget and Service Agreement identifying the supports needed to maintain the consumer in the home, potential providers of the supports and the estimated cost of each. The local project administrator will assist each consumer or their responsible party in securing and maintaining supports. Once the CDHC Budget and Service Agreement has been authorized, local project administrators will make face to face or phone contact with each participating consumer at least once per month to inquire about their satisfaction with the supports they are receiving and identify any issues or concerns the consumer may have. Local Project administrators will *be* required, as part of their contractual obligations with the state, to maintain a record of regular contacts made with consumers. In addition, monthly bank statements and copies of canceled checks will be sent to both the consumer and the local project administrator. Local project administrators will monitor expenditures on a monthly basis to verify that expenditures made and services rendered are consistent with each consumer's CDHC Budget and Service Agreement.

Systems modifications to MMIS will also enable the State to monitor grant expenditures on a monthly basis for each consumer enrolled in the project. Monthly reports will be generated by the State to review the consistency between each consumer's monthly expenditures and their CDHC Budget and Service Agreement. These reports will be used to identify large usage variations which may reflect either the inability of a particular consumer to find and retain the planned amount of support, or a consumer's failure to expend their CDHC funds at the levels and in the areas agreed to in their CDHC Budget and Service Agreement with the local project administrator. This report will be generated for each CDHC administrative area and issued to each local project administrators. The information reflected in the reports will help to identify individual consumers who may

need additional support and will facilitate state and local technical assistance and training efforts.

To help ensure the health and safety of project recipients, DHS will also contract with a semi-independent organization such as the AAAs, CILs, Arcs, and the State ombudsman offices to monitor consumer success with the project. Representatives from one of these organizations will contact each new recipient at 3 and 9 month intervals during the first year of project participation and ask a series of questions designed to measure consumer satisfaction and to identify problems the recipient may be having. If issues are identified, the organization will recommend possible solutions to the recipient such as additional training or referral to an appropriate community resource for assistance. The organization will also notify the recipient's local project administrator in writing if the problem the recipient is experiencing could impact the health and safety of the consumer and submit a copy to DHS. The local project administrator will then be responsible to follow up with the recipient. DHS will monitor the local project administrator's follow-up.

In addition, DHS will maintain a CDHC help-line that consumers may access via a statewide toll free number to address questions and concerns they may have regarding their participation in the project.

Finally, it is the State's intent to convene a series of peer support forums for participating consumers and their families during the first two years of the project. Peer forums will provide an opportunity for consumers and legal representatives to share their experiences as CDHC Demonstration Project enrollees. The forums will also serve to provide feedback to the State and local project administrators on project policy and operations. Forum participants will be asked to assist the State in the development of strategies for increasing consumer participation in the ongoing evaluation of the CDHC Demonstration Project. Minnesota will continue to provide additional opportunities for formal and informal dialogue and information sharing among participating consumers and their families based on the feedback received through the peer support forums.

7. Regarding 3.73, Authorizations: Is a physician's order required **for the home health aid and private duty nursing services? Can the decision of the State override the physician's order for any service or item since the State's approval is required? If a person needs all three services, are three separate assessments required for each service (e.g., county public health nurse for personal care; home health agency; private duty nursing agency). Please explain.**

Personal care, home health aide, and private duty nursing services must all be ordered by a physician. The physician's order provides a general recommendation with regard to the type and level of service an individual requires. Following a physician's order, a more specific assessment is completed to determine the recommended number of hours required of each service. A separate assessment is required for each service. The county

public health nurse completes personal care assessments to determine recommended hours of personal care services required by eligible recipients and forwards the determinations to DHS for authorization. Home health aide and private duty nursing assessments are completed by home health agencies and private duty nursing agencies.

All home health aide and private duty nursing service assessments are authorized by DHS through a contract with an independent medical review agent. The State monitors service authorizations to assure that services are coordinated and unduplicated. The state has the authority to override the recommended levels and hours of service. However, the expertise of the health care professionals completing these assessments has resulted in a valid and reliable home care service planning and authorization process that does not typically require State intervention and override.

8. If a consumer reaches their limit for the combined home health aid, personal care and private duty nursing services as stated in their CDHC Budget and Service Agreement prior to the 12-month contract period, and additional medically necessary services are needed, can the consumer revert to a fee-for-service status to obtain the services? What is the required procedure?

Since support grants will be issued and monitored on a month-to-month basis, consumers will be unable to expend more than one month's worth of benefits at a time. The CDHC Budget and Service Agreement will outline how the support grant funds will be used to meet the needs identified in the care plan. This agreement will serve as a contract between the LPA and the consumer. Expenditure activity that is inconsistent with Budget and Service Agreements will be identified on a monthly basis. If a consumer fails to abide by the agreement due to misuse or mismanagement of funds then they will be exited from CDHC and return to fee-for-service. However, because support grants will be issued and monitored on a month-to-month basis, the period of time during which a consumer could potentially receive benefits under FFS to compensate for mismanagement of funds received under CHDC would always be less than 60 days. If, at any time during a grant award period, there is a change in enrollee need resulting in an increase or decrease in the level of service authorized, the support grant award will be recalculated based on the revised service authorization and protocol described in Section 3.52 of the §1115 waiver.

9. Please clarify the process for consumers who do not maintain proper records or spend inappropriately? Are the funds recovered from the consumer? What will happen to the recipient's care (e.g. dependent child or elderly person) if the legal representative misuses funds?

Monthly distribution and monitoring of CDHC grants will allow for early identification of problems the consumer may be experiencing in the management of their CDHC support grant. Those consumers or responsible parties who do not manage their services in accordance with their CDHC Budget and Service Agreement will be exited from the CDHC Project and will return to fee-for-service. These consumers and responsible parties

will not be reconsidered for participation in the CDHC Demonstration Project. As stated previously, because support grants will be issued and monitored on a month-to-month basis, the period of time during which mismanagement of funds received under CHDC could occur would always be less than 60 days. In cases where fraud is suspected and proven those funds will be lost, since Minnesota does not intend to recoup funds from consumers, even in the event of mismanagement.

10. Is the consumer permitted to use the fiscal intermediary throughout project participation? How is the fiscal intermediary accountable to the consumer? What fees, if any, will be associated with use of a fiscal intermediary?

The extent to which fiscal intermediary services are utilized is determined by each individual consumer. It is the State's desire to provide consumers options with regard to how they choose to manage their employer-related responsibilities and the services available to assist them in fulfilling these responsibilities, depending on their needs, preferences and abilities. Consumers may choose to manage their own financial affairs, they may choose to purchase financial services from a bookkeeper, accounting firm or other financial service known to them, or they may choose to secure the services of a fiscal intermediary from a list of vendors provided by the State. As an employer, the cost of a participating consumer's share of all taxes, workers compensation, unemployment compensation and fiscal intermediary services will be considered part of the cost of services and paid for by the consumer with support grant funds.

Under the CDHC Demonstration Project training and resource materials will be provided to ensure that participating consumers receive the assistance necessary to successfully fulfill their employer-related responsibilities. The local project administrator will inform eligible consumers of their employer-related responsibilities as a participant in the consumer-directed service delivery option available under the CDHC Demonstration Project. The publication entitled *Finding the Support You Need*, developed as part of Minnesota's Self-Determination Project with the support of a grant from the RWJF, will be included in the *CDHC Consumer Handbook* to assist project enrollees in determining how they will fulfill their responsibilities as employers. A copy of *Finding the Support You Need* is provided in *Appendix D*. This publication provides consumers with a guide to hiring and managing their own support and includes information on taxes, insurance, hiring a fiscal agent, hiring an employer-of-record, and labor laws. The *Consumer Handbook* will also include a model agreement between a consumer and fiscal intermediary. This agreement will list specific services the consumer may choose to purchase and a suggested price range for each service. Additional technical assistance and training will also be available to CDHC Demonstration Project enrollees requiring additional assistance in this area.

To ensure consumer access to fiscal intermediary service options, a list of preferred vendors identified by the state as having agreed to certain standards of operation will also

be provided to participating consumers. Please refer to our response to question 11. below for more detail regarding the development of this list of preferred fiscal intermediary service vendors.

11. Please clarify the responsibilities and qualifications of the staff of the intermediary services. Will the State provide a list of approved locally based intermediaries?

A list of preferred, locally based intermediary service vendors who have been reviewed by the State and have 4r&d to certain standards of operation will be available to consumers. To generate this list, the State intends to issue an RE to potential fiscal intermediary service vendors. RFI respondents will then be invited to attend an information session providing more detail about the CDHC Demonstration Project and the specific tasks that they would be responsible to perform for the consumer. RFI respondents interested in providing fiscal intermediary services to CDHC enrollees must be willing to receive technical assistance and training and agree to a readiness review prior to their inclusion on the State list of preferred fiscal intermediary service vendors. The State intends to contract with an independent consultant to assist with the RFI process, to provide technical assistance to interested vendors, and to complete readiness reviews. Lists of preferred fiscal intermediary service vendors will be established for each CDHC administrative area and provided to consumers through their local project administrators.

12. Will the State require a skills test with regard to knowledge of employer responsibilities regarding tax and labor law requirements for client-hired workers before allowing participants to do without a fiscal intermediary service to handle taxes for their employees?

the State will not require a skills test for consumers who choose to manage their own financial and employment matters. The State's response to questions 10 and 11. above describes the training and resource materials that will be provided under the CDHC Demonstration Project to ensure that participating consumers receive the assistance necessary to successfully fulfill their employer-related responsibilities. During the individual service planning process, consumers will demonstrate that they have made an informed choice to participate in the project and that they understand their rights and responsibilities as a participant. The method through which services will be purchased and the intermediary services and supports to be secured by the consumer, if any, will be identified and incorporated into the CDHC Budget and Service Agreement.

13. What happens to funds that are not expended during the agreement period?

Monthly monitoring of consumer expenditures under CDHC by the LPA, as well as the additional monitoring and assistance provided by the independent monitoring agents, will help to mitigate problems of underspending throughout a grant award period. However, in some cases a consumer may choose to reserve a portion of their monthly grant award each month to save toward the purchase of a more costly item. In these cases the intended use of the dedicated funds and the estimated cost of the item being saved for must be identified in the individual's CDHC Budget and Service Agreement. These reserved funds may be carried over from month to month and, in some cases, from one grant award period to another. Funds that are unspent at the end of a grant award period that are not identified in the individual's Budget and Service Agreement as part of a longer-range savings plan will be returned to the CDHC program through an adjustment made to the individual's CDHC grant award for the proceeding grant award period.

14. Will individuals be able to carry support grant funds over from month to month? If so, has the State contacted the Social Security Administration to apply for a Section 110 exemption so these funds are not treated as "assets" for the purposes of SSI eligibility determinations?

CDHC enrollees will be able to carry support grant funds over from month to month. However, as stated earlier, funds that are unspent at the end of a grant award period that are not identified in the individual's Budget and Service Agreement as part of a longer range savings plan will be returned to the CDHC program through an adjustment made to the individual's CDHC grant award for the proceeding grant award period. The State has been working with the Social Security Administration to secure the necessary exemption so CDHC funds that are carried over from month to month are not treated as assets for the purposes of SSI eligibility determinations.

The Social Security Administration's Regional Office V has indicated that, with some standard operational procedures in place under the CDHC demonstration project, the process required to exclude CDHC support grant funds as a resource can be accommodated within normal operating procedures. The State has agreed to the standard operational procedures and has submitted additional information necessary to complete this exemption process. Please refer to *Appendix E* for a copy of the letter from the Social Security Administration's Regional Office V in response to the State's request for a Section 110 waiver.

15. Will the identified legally responsible adult be provided with a list of available services and providers who are approved for Medicaid payment(s)? Must all providers the consumer can choose from to receive services be listed in the Budget and Service Agreement?

Consumers will have a variety of options for selecting providers including extended family, friends and neighbors as well as formal care providers. The CDI-IC Expense Categories

provided in Attachment A of Minnesota's CDHC Demonstration Project §1115 waiver request are intended to serve as a guide to consumers and their representatives when planning for the appropriate use of their grant award. During the CDHC service planning process, the consumer and their legal representative, if any, with the assistance of the local project administrator, will decide how the support grant funds will be used to meet the needs identified in their care plan. The types of services and supports each individual requires and potential vendors from which they choose to receive these supports will be determined during this planning process. While the state will provide for minimum qualification standards for providers of certain types of services, the consumer and their legal representative, if any, with the assistance of the local project administrator, will be responsible for assuring the provider's ability to perform the designated support functions. The CDHC Budget and Service Agreement will summarize the outcome of this planning process - identifying the supports needed to maintain the consumer in the home, potential providers of the supports and the estimated cost of each. This agreement will serve as a contract between the local project administrator and the consumer that outlines how the support grant will be spent. The method through which services will be purchased and the intermediary services and supports to be secured by the consumer, if any, will be identified and incorporated into the CDHC Budget and Service Agreement. This proposed service planning process supports the CDHC project objective of improving service quality and consumer satisfaction by enabling greater individualization of services and supports and providing increased consumer control and accountability over available resources.

16. Please explain how the recipient's or the legal representative's health literacy level will be a measured variable in the evaluation plan as this data is critical to ensuring patient safety and avoidance of potential medical error(s). Also, please define how "...consumers will have their needs met more effectively and efficiently will be measured.

The CDHC Demonstration Project hypothesizes two central advantages over traditional service procurement systems. The first is improved consumer satisfaction and quality of care based on increased consumer choice and control. The second is more cost effective service delivery as consumers are able to purchase more individualized services for the same or less money. The independent evaluation of the CDHC Demonstration Project will be designed to test these hypothesis in terms of the outcomes experienced by consumers participating in the CDHC Demonstration Project compared to those who choose not to participate.

The evaluation of the CDHC Demonstration Project will be independently conducted by a vendor selected through a competitive bidding process, and under contract with the State. While design parameters for the independent evaluation will not be finalized until a vendor has been selected, it is anticipated that a control condition will be established. Viable study designs may include a comparison of a matched group sample of demonstration and non-demonstration participant outcomes and a before and after (time-series) quasi-

experimental design whereby demonstration enrollees serve as their own controls. The qualitative component of the evaluation will rely on surveys and personal interviews with project administrators, CDHC enrollees and their family members as the primary means of data collection. The evaluation will also include an analysis of quantitative information from sources including FFS encounter-level data, CDHC Budget and Service Agreements, and CDHC Record of Expenditures in an effort to obtain quantifiable measures of project outcomes.

17. Will materials targeting consumers (promotional materials and the consumer handbook) initially be made available in alternative formats such as the major languages spoken Statewide and Braille?

Consumer materials will include a language block in the major languages spoken statewide. This language block developed by the DHS Limited English Proficiency Project informs the consumer that the document is important information to be read immediately, and directs that consumer to call their county to access free translation services.

To assure compliance with Title II of the ADA, State Services for the Blind will translate consumer materials into Braille and computer discs compatible with Naturally Speaking and similar software will be available. Graphics will be kept to a minimum in the consumer materials to promote translation into alternative formats for people with disabilities.

Eligibility

1. On page 49, Section Eight, Waivers Requested, the State has requested a waiver of section 1902(a)(10)(C)(i) of the Social Security Act. This statutory authority applies to the medically needy eligibility group. Since the waiver population in the proposed waiver is broader than medically needy, the State should ensure that there is nothing in their state Plan under 209(b) rules that would make it necessary to request additional waivers.

In addition to the above provision, Minnesota requests that a waiver of the following provision be granted:

§ 1902 (a)(17) to permit the exclusion of payments received under the demonstration project from the income and resource limits established under State and Federal law for Medicaid eligibility for all categorically eligible groups and medically needy groups.

2. For clarification, please break out specific Medicaid eligibility groups such as, 1931, SSI, medically needy, AFDC related.

The proposed §1115 waiver population includes all non-institutionalized categorically and medically needy groups as specified in Minnesota's State Medicaid Plan with the exception of home and community based 1915(c) waiver recipients. In order to participate in the CDHC Demonstration Project, MA eligibles must be living at home and must be able to direct and purchase their own care or be living with a responsible party who can direct their care. The CDHC Demonstration Project will be available to people for whom personal care, home health aide, and private duty nursing services have been determined to be medically necessary.

Budget Neutrality

1. Please provide five years of historical data to support the statewide trend rates and to develop per member per month costs. Please provide this data for eligibles that utilize the home health care, personal care, and private duty nursing services as well as for individuals that are eligible but do not utilize these services. Include the services listed above as well as any services that may be impacted by cashing out these services.

Please refer to *Appendix F* for five years of historical data and updated caseload and cost estimates for the demonstration project.

2. Please clarify the expenses included under the demonstration with more **description and/or comprehensive list of services for those categories identified in Attachment A.**

The expense categories identified in Attachment A of the CDHC §1115 waiver request have been developed to serve as a guide to consumers when planning for the appropriate use of their grant award. The CDHC Expense Categories are not intended to provide an exhaustive list of the services and supports that a consumer may purchase with their support grant. Grant awards are intended to provide consumers increased choice and flexibility to coordinate, purchase and manage an array of supports that meet their individual needs and preferences. The local project administrator will work with each consumer to identify how their grant award will be used. Services and items purchased with grant funds must support the consumer's safe and independent living and enable them to remain at home.

3. Please provide a list of services or description of services provided under home **health, personal care, and private duty nursing under the State plan.**

Home health provided under Minnesota's State plan include:

- Skilled Nurse Visits
- Home Health Aide Services
- Physical Therapy

Speech Therapy
Occupational Therapy
Respiratory Therapy
Medical Supplies and Equipment

Personal care provided under Minnesota's State plan include:

Personal Care Assistant Services
Qualified Professional Supervision

Private duty nursing provided under Minnesota's State plan include:

Private Duty Nursing Services

4. Please provide a list of services provided for home health, personal care, and private duty nursing for the 1915c waiver.

People receiving home and community-based services through a 1915(c) waiver access home health, personal care, and private duty nursing services under the MA State Plan as described in item 3. above. Extended home care services are available for those 1915(c) waiver recipients who require more than what is available through the MA State plan benefit set. However, although the amount, duration and scope of these extended home care services exceed those available under the MA State plan, the nature of the services does not change. As stated in Minnesota's §1115 waiver request, individuals receiving HCBS through a 1915(c) waiver are ineligible for the CDHC Demonstration Project.

5. In Attachment A in the category of medical expenses, please explain what is meant by "bills that were incurred prior to MA eligibility". What are the parameters around reimbursement for this expense?

The intent of this section of the Medical expense category is to allow consumers to apply a portion of their grant award toward outstanding medical bills not covered by MA or private Insurance.

6. Are all of the expenses in Attachment A related to home health care, personal care and private duty nursing expenses, or are some of them anticipated to be paid out of savings?

All of the expenses in Attachment A are related to the increased costs incurred by aged and disabled individuals who require certain services and supports in order to live independently in their local communities. The amount of each enrollee's grant award will be based on their historical use of home health aide, personal care and private duty nursing. The CDHC Expense Categories within which consumers may expend grant funds include a wider range of services supports. It is anticipated that efficiencies realized through more individualized support arrangements under CDHC will increase consumer

purchasing power thereby enabling participants to meet their health care needs and purchase additional supports, as needed, such as the non-medical services identified in the CDHC Expense Categories.

7. How does the requirement that services be prescribed by a doctor interact with the non-medical services such as alterations to a vehicle?

Home care service planning and authorizations, which require physicians orders, will remain in place under the CDHC Demonstration Project and will provide the basis for developing individualized service plans and determining the amount of individual support grants for each enrollee. In this way, services prescribed by a doctor inform the service planning process.

The flexibility provided under the CDHC Demonstration Project will enable consumers to purchase more individualized health care services for the same or less money. It is anticipated that efficiencies achieved under the CDHC Demonstration Project will enable consumers to purchase items and services that effectively meet their medical needs as well as other non-medical support needs they may have. The CDHC Budget and Service agreement process will identify how the medically related needs of the consumer will be met and what additional services, if any, can be purchased with any resources remaining in the consumer's CDHC budget.

8. What are the differences between the individuals eligible for the demonstration and the 1915c waiver?

The primary difference between individuals eligible for the CDHC demonstration and people receiving HCBS services through a 1915(c) waiver is that the CDHC eligibles only receive State plan services, and for whatever reason are not on a 1915(c) waiver. Usually they are not eligible for a 1915(c) waiver because they do not meet that level of care - institutionalization.

Project participation will be limited to a designated number of MA recipients who receive MA home care services exclusively through the MA State plan. Individuals receiving HCBS through a § 1915(c) waiver have been excluded from participation in the CDHC Demonstration Project at this time. This is due, in part, to the fact that people receiving HCBS through a § 1915(c) waiver are already afforded comparably more choice and control over the services that they receive, because of the inherent flexibility that is available in waiver programs.

9. Please clarify who is eligible and what services are received in the State program compared to what is proposed for the demonstration. How many people enrolled in the State program are Medicaid eligible and are likely to transition to the CDHC if approved? Explain how the State program costs are accounted for in the

calculation of budget neutrality for the demonstration, particularly in relation to the five years of historical data requested in #1.

In order to be eligible for the CSG program participants must be authorized to receive personal care assistant, home health aide and private duty nursing services under MA fee-for-service. Under the state-funded CSG Program, eligible people are provided a support grant as an alternative to the benefits they receive under these three existing long-term services programs. Support grants are funded with the state share of the cost of services the consumer would otherwise receive through these three programs of origination. CSG Program participants receive a monthly subsidy payment in the form of cash, voucher, or direct county payment to vendors with which to arrange for and purchase their own services and supports from vendors of their choice. Each service or item purchased with a CSG support grant must be over and above the normal cost of caring for a person if the person did not have functional limitations must be directly attributable to the person's functional limitations; must enable the person to remain in their home and must be consistent with the needs identified in the individual's service plan. Participants must be living in their own home and be able to direct their own care or must have an authorized representative who can purchase or arrange supports on the enrollee's behalf

CSG Program costs were not accounted for in the calculation of budget neutrality for the demonstration due to low CSG Program participation rates prior to July 2000. In addition, CDHC eligibility and grant award criteria established in Section 3.5 and 3.22 of the § 1115 waiver request to assure that project implementation costs are budget neutral will apply to all CDHC enrollees, including MA eligibles transitioning from the CSG Program to the CDHC Project. Since MA eligibles moving from CSG to ODOC have not been receiving MA-covered personal care, home health aide or private duty nursing services under the traditional fee-for-service program they will lack sufficient historical expenditure data on which to base their initial CDHC support grant award. For this reason, the grant awards for enrollees coming to CDHC from the CSG Program will be determined using the methodology established for enrollees with less than 12 consecutive months of expenditure history as described in Section 3.52 of the §1115 waiver request. In addition, enrollees coming to CDHC from CSG will be considered "new" enrollees. New enrollees are defined in Section 3.22 of the §1115 waiver as MA eligibles who have received MA-covered home care services for a period of less than 6 consecutive months prior to CDI-1C project enrollment. These enrollment criteria have been established under CDHC to control for woodwork effect and to assure that service costs incurred under the § 1115 waiver do not exceed service costs that would have been incurred had the § 1115 waiver not been implemented.

While it is anticipated that a certain number of CSG enrollees may transition to the CDHC Demonstration Project, the increased flexibility of state-funded service options such as the CSG Program provides an incentive for many CSG enrollees to stay with the CSG Program.

10. What is the basis for the woodworking ratio of 25%?

The ratio of 25% was established in collaboration with the Department's Reports and Forecasts Division and is an estimate based on professional judgment.